

*SBA News and Views* is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## Serving America's Small Businesses

**U.S. Small Business Administration  
 Wisconsin District Office**

**Eric Ness, District Director  
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**SBA Home Page**  
<http://www.sba.gov>

**Wisconsin SBA Home Page**  
<http://www.sba.gov/wi>

**Editor: Jan Nienow**  
[janice.nienow@sba.gov](mailto:janice.nienow@sba.gov)

### SBA Ready to Assist Victims of Disaster



SBA is ready to assist victims of the recent flooding disaster that has hit the Midwest, including Wisconsin, this June. Following the announcement of the Presidential disaster declaration in Wisconsin covering numerous counties as a result of severe storms, tornadoes and flooding that began on June 5 and are continuing, SBA Acting Administrator Jovita Carranza issued the following statement: "We look forward to working with the people of Wisconsin to make low-interest federal disaster loans available to homeowners, renters and businesses."

If your home is damaged in a declared disaster area, you may be eligible for a loan from SBA. Disaster loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible up to \$40,000 to repair or replace damaged or destroyed personal property. Businesses of any size and private non-profit organizations may borrow up to \$1.5 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. SBA can also lend additional funds to help with the cost of making improvements that protect, prevent or minimize the same type of

disaster damage from occurring in the future.

The present Presidential disaster declaration in Wisconsin covers numerous counties and more can be added if they qualify. The following Wisconsin Emergency website provides a wealth of information. If you click on the Current Storm Situation button, this tells you what counties are in declared disaster areas, where the Disaster Recovery Centers are located, road conditions and a lot more.

<http://emergencymanagement.wi.gov/>

### Inside a Disaster Recovery Center (DRC)



Your News & Views editor had an opportunity to visit the Disaster Recovery Center (DRC) in Sturtevant, WI.

When you arrive, you will see a table set up where you register with FEMA via phone. After you register, you will find an additional area set up with FEMA personnel to support you in what kinds of assistance you may need.

If FEMA tells you that you need SBA assistance, there is an area set up with SBA Counselors that have been sent by SBA's Disaster office in Atlanta to aid disaster victims. SBA personnel determine if you are eligible for an SBA disaster loan and, if you are, they give you the forms you need to apply for the disaster loan. You can fill out the form(s) away from the center or they can assist you in filling out the forms. Once the forms are completed, they are sent to Fort Worth, TX for processing.



There are FEMA and SBA personnel in each Disaster Recovery Center to assist disaster victims.

**SBA Small/Rural Lender Advantage in Region V**

**New Loan Service to Foster Small Business Growth in America**



The U.S. Small Business Administration has extended to Region V, an initiative aimed at fostering economic development in America's rural areas by making it easier for smaller community banks and credit unions to use SBA loan products to finance small businesses. Previously this rollout was scheduled for July, but in the wake of the recent Midwest flooding, the SBA is launching this program early to assist those borrowers who were impacted by these floods.

Small/Rural Lender Advantage is part of the agency's 7(a) loan program and encourages smaller and/or rural lenders (lenders making 20 or fewer SBA loans a year) to offer SBA loans by streamlining the SBA's loan application and approval processes. This pilot was initiated and tested in SBA's Region VIII (North Dakota, South Dakota, Colorado, Wyoming, Utah and Montana) in January. Following enhancements to further streamline it, SBA is now extending the initiative to Region V, which covers Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. SBA expects to expand the initiative nationwide by the end of the fiscal year.

"Companies throughout America, especially rural America, rely on community banks to finance their growth and rural small businesses often need strong relationship support, which small community banks are qualified to provide," said SBA Deputy Administrator Jovita Carranza. "We are committed to expanding access to private capital for rural entrepreneurs by becoming a better partner for America's community banks."

The key features of Small/Rural Lender Advantage include:

- A shorter, simplified application for loans of \$350,000 or less;
- An expedited SBA loan processing time of 3-5 days for routine loans;
- Only limited, key financial documentation is required;
- An SBA guaranty of 85% is available for loans of \$150,000 or less; 75% if the loan is larger;
- Loan applications may be faxed or e-mailed to SBA;
- A simplified loan eligibility questionnaire is provided to help small or occasional SBA lenders understand SBA's eligibility criteria; and
- SBA provides specialized assistance to small/rural lenders on complex eligibility issues.

This new service is intended to increase SBA's market penetration with smaller lenders and in rural areas. Small businesses account for two-thirds of all rural jobs and comprise more than 90 percent of all rural establishments. However, the number of banks nationwide taking advantage of SBA loan programs has declined by almost 400 over the past two years. By streamlining the process and reducing the paperwork, SBA is intent on winning them back.

"Small businesses are the growth engines of many communities,

especially rural communities" said Carranza. "We are very proud to introduce Small/Rural Lender Advantage as a financial tool to spur that growth."

**SBA/SCORE's Small Business Awards Presentation**

SBA's 2008 small business award winners were honored at SBA/SCORE's 23<sup>rd</sup> Annual Small Business Awards Presentation Breakfast on June 6, 2008 at the Country Springs Hotel in Pewaukee, WI.

Wisconsin SBA District Director Eric Ness gave awards and posters to each winner. There were approximately 350 attendees that was able to hear the success stories of these winners.

This year's guest speaker was Margaret Henningsen, Co-Founder of Legacy Bank in Milwaukee.

SBA always looks forward to this event each year where we get a chance to honor the small businesses that are so vital to the economy of Wisconsin.

Start thinking about small businesses you may want to nominate for one of SBA's small business awards for 2009 and look for the 2009 Small Business Award Nomination form later this summer.

**SBA Selects e200 Jobs and Growth Initiative InnerCity Trainers**



The U.S. Small Business Administration has selected Inner City Entrepreneurs to conduct the executive training aspect of SBA's Emerging 200 initiative, a jobs and growth stimulation effort targeting 200 promising inner-city small businesses. The designated cities where the program training will

begin in Boston, Philadelphia, Baltimore, Memphis, Atlanta, Chicago, *Milwaukee*, Albuquerque, New Orleans, Des Moines and Oakland.

“The SBA Emerging 200 uses Inner City’s unique StreetWise Steps to Small Business Growth curriculum. It is an intensive training initiative designed to accelerate high-potential small businesses’ growth in America’s inner cities,” said Anoop Prakash, associate administrator for SBA’s Office of Entrepreneurial Development.

The CEOs and small business owners who graduate from the program will have produced a three-year strategic growth plan with benchmarks and performance targets. They will be trained further to target their business strategies to accelerate growth, explore financing, diversify markets and expand their networking. More information about Inner City Entrepreneurs can be found at [www.innercityentrepreneurs.org](http://www.innercityentrepreneurs.org).

The SBA initiative focuses on small, poised-for-growth inner city companies with potential for job creation. Research shows that small firms with fewer than 20 employees created 80 percent of the net new jobs in the economy from 1990 to 2003, and that small businesses in inner cities added nearly three times the number of new jobs than larger companies between 1995 and 2002.

The training will run through the remainder of 2008 and the instructional approach combines classroom learning sessions, CEO mentoring groups, and self-paced learning.

The growth of small businesses in underserved markets is a prime focus of the SBA. More information on the e200 initiative can be found at [www.sba.gov/e200](http://www.sba.gov/e200).

### SBA Launches Tax Savings Resource Center

SBA has created an online tax savings resource center to help small businesses understand how they can benefit from the 2008 economic stimulus package signed into law by President Bush earlier this year.

The package includes the following tax incentives for businesses: a 50% bonus depreciation allowance on equipment purchased and placed in service in calendar 2008 and an almost 100% increase in the amount (from \$128,000 to \$250,000) that a business can expense for equipment purchased and placed in the business tax year beginning in 2008.

“The stimulus package is designed to spur the economy by putting money back into the pockets of American workers and encouraging small businesses to invest and expand,” said SBA Acting Administrator Jovita Carranza. “However, many small business owners are unaware of how it could boost their bottom line. In the roundtables I held with dozens of small business owners on tax policy, many were amazed to learn how much their companies could benefit from the temporary tax incentives in the package.”

SBA’s new tax savings resource center demonstrates the benefits entrepreneurs can gain from the 2008 economic stimulus package. The center, located on [www.sba.gov/stimulus](http://www.sba.gov/stimulus), contains three resources on the package:

1. **Fact Sheet** The fact sheet provides a clear explanation of the small business tax benefits.
2. **Depreciation Calculator** This useful tool provides an estimate of the first-year depreciation available under the provisions.
3. **Online Seminar** This brief tutorial summarizes the tax benefits and concludes with the depreciation calculator.

These resources should help small businesses take advantage of the stimulus package. However, because there are exceptions and additional requirements, small businesses are encouraged to contact their tax advisor to determine exactly how the provisions and implementing tax code of the 2008 economic stimulus package apply to their business. They may also refer to the IRS Web site:

<http://www.irs.gov/newsroom/article/0,,id=179227,00.html> for additional information regarding tax changes.

### SBA & SBDC Hold Women’s Procurement Conference

On June 25<sup>th</sup>, SBA and SBDC held a Women’s Procurement Conference titled “SAGE” – Success A Group Effort. The conference was held in Madison at the USDA Forest Product Laboratory.

Several SBA personnel were instrumental in the planning and operation of the conference.

Sessions included discussions on the importance of registering in CCR, marketing businesses online, marketing techniques and financial preparation for the procurement arena.

Thirty-one resource information tables were available along with thirty buying agents. Sixty-five registered women were in attendance.

The conference concluded with a matchmaking session where women businesses met one-on-one with each prospective buying representative.

*NOTE:* You have heard the expression, “You got to play to win.” Well, to succeed in government contracting, you have to register to participate. [www.sba.gov/services/contractingopportunities/register/register/index.html](http://www.sba.gov/services/contractingopportunities/register/register/index.html)

**SOP 50 10(5)**

**Technical Corrections and Effective Date**

SOP 50 10, which covers 7(a) and 504 loan processing as well as the requirements to become and remain a 7(a) lender (Lender) or a Certified Development Company (CDC), was completely re-written and, on March 20, 2008, SOP 50 10(5) was made available with a delayed effective date.

The purpose of the revision was to develop a more concise version of the SOP that is up to date and user-friendly. During the past several weeks, Agency staff have received and reviewed questions and comments from program participants, including Lenders, CDCs, representatives of various trade associations and SBA personnel. As a result of this feedback, SBA has made technical corrections to clarify the SOP and has moved back the effective date. The technical corrections are listed in the attachment to this notice.

*The revised SOP 50 10(5) will be effective for applications received by SBA on or after August 1, 2008.* For lenders submitting requests through delegated processes (PLP, SBA Express, Patriot Express, Export Express or Community Express), the revised SOP will apply to requests for a loan number received by SBA on or after August 1, 2008. The revised SOP can be found at [www.sba.gov/tools/resourcelibrary/sops](http://www.sba.gov/tools/resourcelibrary/sops).

As part of this discussion, there are two issues concerning the 504 program that CDCs have asked SBA to reconsider. The first is the provision that prohibits a CDC from providing interim financing on its own projects. The second is the requirement that there be an alternative source of repayment if an applicant is using a recently obtained home equity loan as all or part of its required borrower's equity contribution. The version of the SOP does not address these issues as they are not considered technical corrections or clarifications. Therefore, any change to the SOP to address these issues must be approved

through SBA's internal policy clearance process.

**Loan Servicing and Liquidation**

Guidance on loan processing for all SBA loan programs is included in this revised SOP 50 10. Until SOP 50 50 and SOP 50 51 are updated to include SBA Express and the Pilot Loan Programs (Patriot Express, Export Express and Community Express), the servicing and liquidation guidance contained in the program guides governing SBA Express and the Pilot Loan Programs remains in effect.

**Search Capability**

SBA is continuing to work to enhance the search capabilities of this SOP. This version contains the search capabilities provided by using a PDF format, but does not have the full search capacity that SBA intends to provide. A version with enhanced search capabilities will be issued as soon as possible.

**Future Updates**

SBA plans to update the SOP every six months. This version of the SOP includes policy changes implemented prior to January 1, 2008. We expect the initial update to include program enhancements related to Small/Rural Lender Advantage and Community Express, as well as other program modifications implemented in the past five months.

**Additional Information**

Lenders, CDCs and other interested parties may continue to send suggestions concerning the SOP to SBA at [SOP50-10Modernization@sba.gov](mailto:SOP50-10Modernization@sba.gov). This e-mail box is set up to receive only.

Questions regarding SOP 50 10(5) should be directed to the lender relations specialist in the local SBA field office.

**NOTE:** SBA's resource library provides an abundance of information to assist you in many different areas of running your business. Whether you are seeking information on small business lending, understanding the cost of employee benefits, or reviewing publications on strategic planning, you'll find [it here](#).

**SBA Personnel In Action**

SBA personnel have had a busy June. BDS Becky Freund represented SBA at the Dane County Small Business Breakfast Awards in Madison.

BDS Joe Rosner (SBA's Veteran liaison) represented SBA at the DAV State Convention in Appleton as well as at the WI VFW State Convention in Milwaukee.

BDS Mary Trimmier attended Women Owned Business (WOB) Center training in Washington, D.C. to better equip her with the knowledge she needs when dealing with WOB centers.

There is various other SBA activity involvement throughout this newsletter—so take a look and stay tuned for further reports of your SBA at work in the communities of Wisconsin.

**Editor's Notes**

**TRAINING CALENDAR**

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences, and seminars at the federal level but will also include state, local and private activities that pertain to small business development.

**Link to SBA May 2008 Loans**

**SBA May 2008 Micro-Loans**

WI Women's Business Initiative Corp. 2 Loans for \$20,000